



Steven L. Beshear
Governor

KENTUCKY INFRASTRUCTURE AUTHORITY

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John E. Covington III
Executive Director

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To Whom It May Concern:

If you have a drinking water project that will need funding during the 2011 state fiscal year (July 1, 2010 thru June 30, 2011), we want to hear from you as your project may be eligible to received funding from the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a competitive program. To be qualified to apply for a low interest DWSRF loan, your project **MUST** be ranked and listed on the SRF Priority List developed by the Division of Water (DOW). **NOTE: *FOR THE 2011 PRIORITY LIST, THERE WILL BE NO CARRY OVER FROM THE 2010 PRIORITY LIST.***

It is easy to submit your project for inclusion on the SRF Priority list. All potential recipients must complete a Project Questionnaire and send it to DOW. The DOW has made some revisions to the Project Questionnaire and ranking criteria since last year in order to direct future SRF allocations to projects that assist public water systems comply with the ever tightening health protection objectives of the Safe Drinking Water Act Amendments of 1996. Previous versions of the questionnaire WILL NOT be accepted. The questionnaire, an Excel document, can be downloaded from the Kentucky Infrastructure Authority (KIA) website (www.kia.ky.gov) or the Division of Water (DOW) website (www.water.ky.gov/publicassistance/funding/dwsrf/iup).

DOW strongly encourages you to read the Priority System Guidance Document before you begin completing the questionnaire form as you might acquire some useful ideas for improving your project's overall score. **Additionally, only those projects that can start construction by December 31, 2011 will be considered for funding.**

Completed Project Questionnaires must be received by the DOW no later than 4:30 PM eastern time, on **January 6, 2010**. All hardcopies may be mailed to: DWSRF COORDINATOR, AMANDA YEARY, DIVISION OF WATER, WATER INFRASTRUCTURE BRANCH, 200 FAIR OAKS, 4th FLOOR, FRANKFORT, KENTUCKY 40601. If submitting a hardcopy only, please allow additional time for mailing before the deadline. **AGAIN, PLEASE NOTE: THERE WILL BE NO CARRY OVER FROM THE 2010 INTENDED USE PLAN. All interested projects must complete the revised Project Questionnaire form which may be obtained from KIA's or DOW's website.**

If selected, your project may be eligible for a low interest loan to partially or even fully fund your next drinking water project. DWSRF loans can be used to match grants from Community Development Block Grant (CDBG), Appalachian Regional Commission (ARC) and the Environmental Protection Agency (EPA). We also partner on projects that have U.S. Rural Development (RD) funds and state appropriation line items.

Projected interest rates for the program will be identified in the 2011 DWSRF Intended Use Plan (IUP) which will be available late spring, 2010. Rates identified in the IUP are subject to change by approval of the KIA Board. Currently, KIA offers three interest rates for the DWSRF program. The standard rate of 3% is available for borrowers with a median household income (MHI) at or above \$33,672, the MHI of the Commonwealth from the 2000 Census. A 2% rate is offered to borrowers whose MHI is between \$33,672 and \$26,937 (80% of the Commonwealth MHI). The 2% rate also applies to those projects that facilitate compliance with an order or judgment addressing environmental non-compliance or those systems that are considered regional. To qualify for the 1% rate, the borrower must have a MHI less than \$26,937.

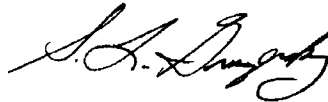
Attached to this mailing is a brochure highlighting the Sustainable Infrastructure (SI) initiative launched last year by EPA and the Kentucky Division of Water. Projects that incorporate some of the practices and recommendations described in the SI brochure might receive additional points, resulting in a higher ranking on the DWSRF Project Priority List. The DOW encourages you to contact them with any questions or feedback regarding the SI initiative.

If you have questions about completing the questionnaire or project eligibility for priority list inclusion, please contact Amanda Yeary or Shafiq Amawi of the Water Infrastructure Branch at amanda.yeary@ky.gov or shafiq.amawi@ky.gov or at (502) 564-3410. For more information on loan requirements, terms or eligibility contact Kasi White or Sandy Williams of KIA at kasi.white@ky.gov or sandy.williams@ky.gov or at (502) 573-0260.

Sincerely,



John E. Covington, III, Executive Director
Kentucky Infrastructure Authority



Sandra L. Gruzesky, Director
Division of Water